

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)  
FINANCE COMMITTEE  
MEETING MINUTES  
April 14, 2020  
Via Teleconference

Present: Matt Behm, Nick Dalton, Kerry Johnson, Les Nelson, Justin Schnichels, Jeff Welker and Randy Zinda

Excused: Travis Jones

Staff: Aaron Backman, Executive Director and Connie Schmoll, Business Development Manager

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc.

Nick Dalton called the meeting to order at approximately 12:02 p.m. Following roll call a quorum was declared present.

MINUTES—

IT WAS MOVED BY Jeff Welker, SECONDED BY Les Nelson, to approve the minutes of the December 10, 2019 meeting and minutes of the following special meetings: March 24, April 2 and April 7, 2020. MOTION CARRIED.

UNFINISHED BUSINESS

Status of COBAL Loans. Aaron Backman reported since the program was created, 52 businesses have been in contact with the EDC office; 37 of which were inquiring about the COVID-19 Business Assistance Loan (COBAL) program and 15 of which were referred to Small Business Administration (SBA) programs. An updated chart of the 19 loan requests presented to date was emailed to the committee (see copy on file).

[Matt Behm joined the meeting.]

Backman stated six loans were closed last Friday with no problems.

NEW BUSINESS

Microenterprise Loan Payment Deferrals. Backman provided information on requests for deferment of Microenterprise Loan Program payments.

IT WAS MOVED BY Les Nelson, SECONDED BY Justin Schnichels, to approve a four-month deferment of principal and interest payments by Spurs Incorporated under the Microenterprise Loan Program from May through August, 2020. MOTION CARRIED.

IT WAS MOVED BY Matt Behm, SECONDED BY Jeff Welker, to approve a four-month deferment of principal payments by Re-Cover Temp Agency under the Microenterprise Loan Program from May through August, 2020. MOTION CARRIED.

IT WAS MOVED BY Matt Behm, SECONDED BY Randy Zinda, to approve a two-month deferment of principal and interest payments by Huerta Auto Sales under the Microenterprise Loan Program for May and June, 2020. MOTION CARRIED.

Connie Schmoll reported she had a conversation with K-Traps and they are doing well. She has not heard from any others.

COBAL Loan Reviews. The committee reviewed the applicant chart (see copy on file):

- Twin Lakes Center LLC. Backman provided information on Twin Lakes Center LLC noting EDC staff is not recommending approval of the \$5,000 request since it is essentially a new business that has only been functioning for a couple of months. Adult daycare centers were closed by the Governor. All documentation was received. The funds would be used to pay for utilities, rent and other expenses. No action was taken.
- Austin F. Hanscom, Post No. 167, The American Legion, Department of Minnesota. Backman reported all documentation was received. EDC staff is recommending approval of the \$5,000 request. The funds would be used to pay for expenses and overhead. Bremer Bank is working on a Paycheck Protection Program (PPP) application for the Legion.

IT WAS MOVED BY Justin Schnichels, SECONDED BY Matt Behm, to approve a 24-month \$5,000 loan to the Austin F. Hanscom, Post No. 167, The American Legion, Department of Minnesota, with a six-month payment deferral. MOTION CARRIED with Les Nelson abstaining.

- USCare Homecare LLC. Backman reported some financial information has been received, but they are not complete and no tax returns have been received. Home care businesses have not been closed by the Governor. EDC staff is recommending this request not be approved. No action was taken.
- The Handlebar, LLC. Backman provided information on The Handlebar, a restaurant/bar that was closed under the Governor's Executive Orders. All documentation has been received. The funds would be used to pay for utilities, payroll and insurance payments. The Handlebar is providing 22 meals every night for seniors in Atwater at no cost. EDC staff is recommending approval of the \$5,000 request.

IT WAS MOVED BY Matt Behm, SECONDED BY Les Nelson, to approve a 24-month \$5,000 loan to The Handlebar, LLC with a six-month payment deferral. MOTION CARRIED.

- Hair We Are of Willmar LLP. Schmoll reported this is the request tabled from last week's meeting by Katie Collins, Michele Shubert and Shannon Schoell, who are the owners of the LLP. All documentation has been received. The business was closed by the Governor's Executive Order. The funds would be used to pay for rent, utilities and telephone expenses. Jeff Welker of Lake Region Bank spoke positively of the business. They are applying for other funds. EDC staff is recommending approval of the \$5,000 request.

IT WAS MOVED BY Randy Zinda, SECONDED BY Les Nelson, to approve a 24-month \$5,000 loan to Hair We Are of Willmar, LLP with a six-month payment deferral. MOTION CARRIED with Jeff Welker abstaining.

#### QUARTERLY LOAN REPORTS

Entrepreneurs Loan Guaranty Program. The committee reviewed the status of the outstanding loans under the Entrepreneurs Loan Guaranty Program (see information on file). Schmoll spoke with the Middle Fork Café, which is applying for PPP today and was given information on the EDC's program. The guaranty for Goat Ridge Brewery matured in January and a Notice of Termination has been prepared and will be sent to United Minnesota Bank.

Revolving Loan Fund Program. Backman reported all loans are current with two having been deferred by the committee last meeting (see information on file). Backman has had some discussions with Zac Mahboub of New Minnesotan Realty and Betsy Bonnema of WORKUP. Schmoll stated Willmar Child Care Center is working on equipment and toys and the final construction to pass the inspection. It has applied for a Minnesota license.

Backman and Schmoll will let the committee know if there are loan applications to review on April 21<sup>st</sup>.

ADJOURNMENT—There being no other business,

IT WAS MOVED BY Jeff Welker, SECONDED BY Les Nelson, to adjourn the meeting.

The meeting was adjourned at approximately 12:45 p.m.

NEXT MEETING—The next special committee meeting is tentatively set for 11 a.m., Tuesday, April 21, 2020 via teleconference.